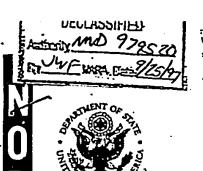
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1974/10/31



REPRODUCED AT THE MATICIAL ARCHYES

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## Department of State TELEGRA

SECRET

Corrected copy: Para 3, line 8, word 3 reads region vice reason

O 310450Z CCT 74
FM SEC KISSINGER ABOARD SAM86970
TO ZEN/USLO PEKIN IMMEDIATE NIACT
INFO RUEHC/SEC STATE/IMMEDIATE

Control: 9084Q Recd: Oct 31, 1974 1:04 AM

INFO RUEHC/SEC STATE/IHMEDIATE
BT
S E C R E T/NODIS
E O 11652 GDS
TAGS: OVIP (KISSINGER, HENRY
SUBJECT: CHINESE INQUIRIES -

TAGS: OVIP (KISSINGER, HENRY A.)
SUBJECT: CHINESE INQUIRIES - OIL PRMFCES
SEC TO 271 REF: PEKING 1893
FOR THE AMBASSADOR BUSH FROM THE SECRETARY
1. CHIAO KUAN-HUA'S INQUIRIES ON THE MIDDLE EAST/OIL
PRICE SITUATION ARE VERY REVEALING. THEY
DEMONSTRATE THAT, THEIR PUBLIC BACKING ON THE OIL
WEAPON NOTHWITHSTANDING, THE CHINESE ARE CLEARLY
CONCERNED ABOUT THE IMPLICATIONS FOR THEM ON AN ECONOMIC
UNRAVELLING OF THE US, EUROPE AND JAPAN. AND THE
CONCOMITANT RISE IN RELATIVE SOVIET POWER. THEY ARE
OBVIOUSLY ALSO WORRIED ABOUT A MIDDLE EAST IMPASSE

AND A CONSEQUENT REVIVAL OF SOVIET INFLUENCE IN THE

REGION.

2. IF CHAIO RAISES THESE SUEJECTS AGAIN, YOU SHOULD MAKE CLEAR THAT I WILL BE PREPARED TO GO INTO THEM IN DEPTH DURING MY FORTHCOMING VISIT.

3. ON THE MIDDLE EAST YOU CAN TELL HIM THAT WE HAVE NOT YET RECEIVED A FULL ACCOUNTING OF THE IMPLICATIONS OF THE ARAB SUMMIT, THROUGH IT HOULD APPEAR THAT IT HAS COMPLICATED CUR EFFORTS. NEVERTHELESS, WE REMAIN DETERMINED TO PRESS AHEAD FOR A PEACEFUL SETTLEMENT FOR ALL RDREASONS WE HAVE DISCUSSED WITH THE CHINESE. YOU MAY CONFIRM FOR HIM CONFIDENTIALLY THAT I WILL BE GOINGTO THE REGION NOVEMBER 6-9 TO DIGEST THE RESULTS OF RABAT AND PLAN NEXT STEPS.

4. ON OIL CUR BASIC STANCE HAS REEN CLEARLY LAID OUT IN MY RECENT SPEECHES AT THE UN AND ELSEWHERE. AS YOU AND CHAIO DISCUSSED, THE HARDEST HIT ARE NATIONS IN AFRICA AND SOUTH ASIA WHO CAN LEAST AFFORD IT. OIL PRICES WILL HAVE TO COME DOWN AT SOME POINT OR THERE WILL BE SERIOUS CONSEQUENCES THAT WILL BE IN NO ONE'S INTEREST. THE PRESENT SITUATION FAVORS THE RUSSIANS THE MOST. 4 WE PLAN TO TAKE SERIOUS CONSERVATION MEASURES AT HOME AND ARE WORKING WITH OTHER CONSUMERS ON COMSERVATION, NEW SOURCES OF CIL AND ENERGY, AND FINANCIAL MECHNANISMS. WE LOOK FORMARD TO A COOPERATIVE SOLUTION WITH THE PRODUCERS AS CHIAC WISHES, THOUGH

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

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## Department of State

## **TELEGRAM**

2- 310450Z OCT 74

WE THINK THE FRENCH INITITAVE IS PREMATURE.PP
5. RE YOUR DISCUSSION WITH THE AUSTRALIAN AMBASSADOR REPORTED IN EARLIER MESSAGE, I ASSUME YOU REALIZE THAT YOU SHOULD NOT ENCOURAGE ANY INTERMADIARY RCLE BY ANYONE THERE ON CAMBODIA.

6. PLEASE SLUG AS SECRET/NOCIS REPORTS OF CONSERVATIONS SUCH AS THE ONE YOU HAD WITH CHAID.

KISSINGER

Calleria.